

**ECZACIBAŐI GROUP**  
**ENVIRONMENTAL, SOCIAL, GOVERNANCE POLICY**

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<b>Approved by</b>	<b>Board of Directors of Eczacıbaşı Holding Co.</b>
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## **1. PURPOSE AND SCOPE**

Respect for the environment and people is a central Eczacıbaşı Group<sup>1</sup> value that reflects the Group's longstanding commitment to serving society. Eczacıbaşı Group companies support sustainable development and strive to achieve business success through sustainable business models because they believe it is their responsibility to increase living standards and protect the environment.

Eczacıbaşı Group companies support the United Nations Sustainable Development Goals. They monitor and measure the environmental, social, governance (ESG) impact of their activities and services throughout the value chain and make improvements accordingly and ensure the continuity. Through ESG Management, Group companies assess and manage their short, medium and long-term ESG risks and opportunities.

The United Nations (UN) Global Compact, to which the Eczacıbaşı Group is a signatory, and the UN Women's Empowerment Principles (WEPs) and the World Economic Forum's Stakeholder Capitalism Metrics (WEF's Stakeholder Capitalism) are among the international initiatives that shape ESG efforts across the Eczacıbaşı Group.

The purpose of this Environmental, Social, Governance Policy (Policy) is to define the principles that all Group companies shall adhere to in their ESG Management processes. The term ESG Management covers the management of all social, economic, environmental and governance issues; Eczacıbaşı Group companies may also call it "sustainability management."

The principles in this Policy are binding for all activities and executives of Group companies. Group companies shall comply with the principles outlined in this Policy, implement their own practices and processes as specified, and/or participate in the practices and processes developed and implemented by Eczacıbaşı Holding Co. (Eczacıbaşı Holding).

Group companies shall work with suppliers and business partners who embrace the principles listed in this Policy and help them adopt and disseminate these principles.

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<sup>1</sup> The "Eczacıbaşı Group" or the "Group" refers to Eczacıbaşı Holding Co. and all of the companies in which Eczacıbaşı Holding Co. directly or indirectly owns 50% or more of the share capital or has direct or indirect management control.

Purchasing and procurement processes, starting from tenders and through every stage of cooperation with suppliers, shall comply with ESG principles and policies, and the mechanisms for monitoring and measuring compliance shall be clearly stated in contracts.

## **2. ESG MANAGEMENT**

- In accordance with Eczacıbaşı Group operating principles, the activities of all Group companies shall comply fully with national laws and international obligations as defined by inter-state agreements.
- Eczacıbaşı Holding assesses the social, economic, and environmental risks and opportunities of its products and services for its companies, stakeholders, and the socio-economic and natural environment. EGS Policy is developed according to the risks and opportunities. Based on these considerations, the Holding determines its ESG (sustainability) priorities. Group companies may adopt additional priorities that address their own business environment.
- While determining ESG priorities, the Group also takes into account the UN Sustainable Development Goals (SDGs); SDGs related to the Group's ESG priorities are given priority.
- Group companies consider ESG priorities when determining their business strategies, especially strategies related to investment, production, trade, and human resources management.
- The Eczacıbaşı Group evaluates ESG management with targets; it develops plans for achieving targets, and monitors progress with key performance indicators (KPI). It considers the ESG Policy while determining its short- and long-term targets.
- The Eczacıbaşı Group develops internal procedures, and processes in order to ensure the efficiency of ESG management.
- Viewing ESG priorities as areas for continuous improvement, the Eczacıbaşı Group carries out projects aimed at improving the ESG performance of business processes, products, and services.
- The Eczacıbaşı Group considers the expectations and opinions of stakeholders in the planning and execution processes of ESG activities. It establishes systematic tools that facilitate the inclusion of stakeholder views and expectations in management decision-making processes.
- Eczacıbaşı Group aims to increase partnerships and investments within the scope of ESG. In this direction, **it makes an effort to scout and implement** new technologies and supports related initiatives.
- The Eczacıbaşı Group supports the efforts of national and international initiatives and non-governmental organizations to promote sustainable development and monitors developments in the field of sustainability.

## **3. ECZACIBAŞI GROUP ESG GOVERNING BODIES**

The ESG Committee, which reports directly to the Eczacıbaşı Holding Board of Directors, ensures the effectiveness of ESG policies, strategies, governing bodies, and tools applicable throughout the Group, evaluates strategic priorities, and makes recommendations on social, economic and environmental issues. The Sustainability, Corporate and Government Affairs monitors and manages Group-wide sustainability activities.

The organs of the Group's sustainability management structure for field studies are the Sustainability Working Groups established under the Eczacıbaşı Group Sustainability Coordination Committee. The Eczacıbaşı Sustainability Working Groups were formed to transform the Group's sustainability strategies into targets and action plans; to monitor practices emerging from the Group's strategies, policies and goals; and to make recommendations in line with the global agenda. Working Groups are formed based on sub-topics and projects so that committees work efficiently. The Group Sustainability Coordination Committee, which consists of Sustainability Working Group Leaders, monitors the performance obtained in the field studies and reports to Eczacıbaşı Holding Sustainability, Corporate and Government Affairs.

Each Group company can establish a similar management system within its own organization, taking into account its field of activity and scope of operation.

#### 4. ECZACIBAŞI GROUP ESG (SUSTAINABILITY) PRIORITIES

The scope of Eczacıbaşı Group ESG Management consists of ESG priorities resulting from a risk and opportunity-oriented approach that uses the principles and tools recommended by international standards and considers stakeholder expectations and opinions. The Eczacıbaşı Group reviews its ESG priorities every three years. SDGs associated with ESG priorities are also an integral part of ESG management.

The Eczacıbaşı Group's ESG priorities, as determined in its latest review, are listed in Table-1:

**Table-1:** Eczacıbaşı Group ESG Priorities

Priorities	Related Sustainable Development Goals
Climate and the Environment	SDG3- Good Health and Well-Being
Equal Opportunity, Inclusion and Diversity	SDG4- Quality Education
Occupational Health and Safety	SDG5- Gender Equality
Circular Economy and Recovery	SDG6- Clean Water and Sanitation
Business Ethics and Legal Compliance	SDG7- Affordable and Clean Energy
Product Responsibility	SDG8- Decent Work and Economic Growth
Innovation and Entrepreneurship	SDG9- Industry, Innovation and Infrastructure
Digital Transformation	SDG10- Reduced Inequalities
	SDG12- Responsible Production and Consumption
	SDG13- Climate Action
	SDG17- Partnerships for the Goals

#### 5. REPORTING

The Sustainability, Corporate and Government Affairs presents quarterly reports to the ESG Committee on ESG projects and performance using information provided by Group companies. In addition, each Group company reports directly to Eczacıbaşı Holding's Board of Directors once a year on these issues.

Group companies' performance, goals, and actions with respect to ESG priorities are presented to the public once a year in the form of reports prepared with transparency

and objective criteria, in accordance with GRI Standards and other internationally accepted systems and standards, as well as as various assessment frameworks of voluntary initiatives.

## **6. OTHER RELATED POLICIES**

Eczacıbaşı Group has prepared and published policies on several priority ESG issues. These policy documents, which are listed below, are considered to be integral parts of the Group's ESG policy.

- Eczacıbaşı Group Environment and Climate Change Policy
- Eczacıbaşı Group Gender Equality and Diversity Policy
- Eczacıbaşı Group Occupational Health and Safety Policy
- Eczacıbaşı Group Human Rights Policy

## **7. IMPLEMENTATION RESPONSIBILITY**

This policy was prepared by the Sustainability, Corporate and Government Affairs and entered into force with the approval of the ESG Committee and Board of Directors. Senior management of Group companies is responsible for ensuring that policy articles are implemented, and the business units of Group companies are responsible for implementing articles related to their specific areas of responsibility.

Overseeing the implementation of the clauses set out in this Policy in Group companies is the responsibility of the senior management of Group companies. Group companies' business units assume responsibility for implementation in Group companies in their respective areas of responsibility. Eczacıbaşı Holding Sustainability, Corporate and Government Affairs is responsible for ensuring the implementation of this Policy within the Group.

Companies' boards of directors may delegate their authority and responsibilities, which are set out in this Policy, to persons they have authorized within the company according to the procedures and principles of related legislation. In such a case, the Board of Directors provides high-level supervision and oversight of the persons to whom authority and responsibilities are delegated.

Eczacıbaşı Group companies also expect their suppliers and business partners to act in accordance with this policy.

## **8. POLICY REVIEW**

This Policy shall be reviewed and assessed on an annual basis by the Eczacıbaşı Holding Sustainability, Corporate and Government Affairs. If there is a significant change in practices that is likely to affect the Policy, the Policy shall be reviewed and adjusted by the Eczacıbaşı Holding Sustainability, Corporate and Government Affairs. The changes made in the Policy will enter into force following the approval of the Board of Directors.

## **9. SUGGESTIONS AND COMPLAINTS**

Requests for information, suggestions and complaints regarding this Policy can be shared anonymously through the VCO (Virtual Compliance Officer) notification channel (<https://eczacibasi.vco.ey.com/>) or sent to [uyum@eczacibasi.com.tr](mailto:uyum@eczacibasi.com.tr) via e-mail. The

Eczacıbaşı Group Code of Conduct Manual states the actions to be taken in cases of behaviors and practices that violate this policy.

Employees or other stakeholders who make notifications and complaints in good faith regarding behaviors violating the norms of this Policy shall not be exposed to retaliatory behavior and attitudes.